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SUBJECT: FULBRIGHT-HAYS FOREIGN STUDENT PROGRAM: FY-76

1. SUMMARY: THIS MESSAGE DISCUSSES THE CURRENT STATUS OF THE FOREIGN GRADUATE STUDENT SCHOLARSHIP PROGRAM ADMINISTERED BY POSTS/COMMISSIONS, SETS FORTH POSSIBLE ALTERATIONS IN THE PROGRAM, AND PROVIDES NEW OR ALTERED BUDGETING GUIDANCE FOR THIS PROGRAM. END SUMMARY.

2. ADDRESSEE POSTS AND BI-NATIONAL EDUCATIONAL COMMISSIONS ANNUALLY PROPOSE CANDIDATES FOR GRADUATE SCHOLARSHIPS IN THE UNITED STATES UNDER THE FULBRIGHT-HAYS PROGRAM. THE COSTS OF THESE SCHOLARSHIPS, TOGETHER WITH RENEWAL COSTS FOR PREVIOUS YEAR GRANTS, ARE CHARGED TO EACH COUNTRY'S CU ACADEMIC PROGRAM BUDGET. IN THE CASE OF ACTION ADDRESSEE COUNTRIES THE STUDENT PROGRAM IS THE SINGLE LARGEST CU ACTIVITY REPRESENTING 40 OF THE PROGRAM.

3. THE DEPARTMENT BELIEVES A REORIENTATION OF THE FOREIGN STUDENT PROGRAM IS CALLED FOR ON TWO GROUNDS: A) INCREASING COSTS AND B) MARGINALITY.

4. INCREASING COSTS - IN THE PAST FOUR YEARS THE UNIT COST

OF NEW STUDENT GRANTS HAS INCREASED 134, WHILE THE ACADEMIC PROGRAM BUDGET HAS INCREASED 10. THE REASON THAT THE STUDENT COST HAS INCREASED SO MUCH MORE THAN THE GENERAL PRICE INDEX (WHICH IS ALSO RISING RAPIDLY) IS THAT THE VERY SUBSTANTIAL AMOUNTS CONTRIBUTED BY U.S. UNIVERSITIES IN THE FORM OF TUITION WAIVERS HAVE DECLINED SHARPLY. WE EXPECT THIS DOUBLE TREND TO CONTINUE. IT IS THE RESPONSIBILITY OF THE POSTS/COMMISSIONS TO ALLOCATE THE RESOURCES AVAILABLE TO THEM IN THE MANNER THEY SEE FIT, AND THERE CAN BE NO RULE OF THUMB ABOUT WHAT PERCENTAGE OF ANY COUNTRY PROGRAM SHOULD BE DEVOTED TO STUDENTS. THERE IS EVIDENCE TO SUGGEST, HOWEVER, THAT THE RAPID RISE IN STUDENT COSTS HAS NOT FULLY BEEN TAKEN INTO ACCOUNT IN THE PLANNING PROCESS, SO THAT, IN EFFECT, UNCLASSIFIED

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A BUDGET DECISION WAS BEING MADE UNCONSCIOUSLY. THE GUIDELINES FOR BUDGETING PRESENTED BELOW ARE DESIGNED TO BRING TO THE ATTENTION OF THE POSTS AND COMMISSIONS THE CURRENT AND FUTURE COSTS OF STUDENT GRANTS.

5. MARGINALITY - IIE DATA (WHICH ARE INCOMPLETE AND UNDERSTATE THE SITUATION CONSIDERABLY) SHOW AT LEAST 10,000 LATIN AMERICAN GRADUATE STUDENTS IN THE U.S. UNIVERSITIES. LESS THAN 200 OF THESE ARE FUNDED WHOLLY OR PARTIALLY BY FULBRIGHT-HAYS GRANTS. IN JUSTIFYING OUR FY-76 BUDGET REQUEST BEFORE THE OFFICE OF MANAGEMENT AND BUDGET, DEPARTMENT OFFICERS WERE ASKED TO SUPPLY A RATIONALE FOR A PROGRAM WHICH ADDS AN INCREMENT OF LESS

THAN 2 OF ALL GRADUATE STUDENTS FROM THE AREA. THE OBSERVATION WAS ALSO MADE THAT IT MIGHT BE SAID THAT THE STUDENT PROGRAM HAS NOW ACHIEVED ITS PURPOSE AND SHOULD BE ELIMINATED SINCE IT IS CLEAR THAT OTHER SOURCES OF FINANCING FOR VIRTUALLY ALL OF THESE STUDENTS IS NOW AVAILABLE. IT SEEMS CLEAR THAT TO OBTAIN CONTINUED SUPPORT FOR THIS PART OF THE ACADEMIC PROGRAM, IF CONTINUATION IS DESIRED, IT MUST BE REFOCUSED AND FIND NEW OBJECTIVES SO THAT FULBRIGHT STUDENTS CAN BE DISTINGUISHED FROM THE OTHER 98 OF GRADUATE STUDENTS FROM THE SAME REGION.

6. THE INCREASE IN COST OF THE STUDENT PROGRAM (RELATIVE TO OTHER CATEGORIES SUCH AS RESEARCHERS OR PROFESSORS) REQUIRES THAT EACH COUNTRY PROGRAM TAKE INTO ACCOUNT THE TOTAL COST - BOTH NEW AND RENEWAL GRANTS -- OF FOREIGN STUDENTS. THE MARGINALITY OF THE PROGRAM REQUIRES THAT IT START TO BE ORIENTED TOWARD NEW OR MORE SPECIFIC ACADEMIC OBJECTIVES.

7. BUDGETING FOR STUDENTS: THE ESSENTIAL FIRST STEP IN

CONTROLLING THE COST OF THE STUDENT PROGRAM IS FOR THE POSTS AND COMMISSION TO ARRIVE AT A CLEAR AND EXPLICIT UNDERSTANDING WITH THE STUDENT AS TO THE DEGREE HE IS SEEKING AND ON THE NUMBER OF YEARS FOR WHICH HE WILL BE SUPPORTED UNDER HIS GRANT. THIS MUST BE REPORTED ON THE STUDENT PANEL MEMORANDUM WHICH IS GIVEN TO IIE.

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POSTS CAN LIMIT STUDENTS TO ONE YEAR'S SUPPORT, TWO YEARS OR CAN SPECIFY THAT THE CANDIDATE WILL BE SUPPORTED THROUGH TO HIS PH.D. IN EVERY CASE, THE FUTURE YEARS' COMMITMENT MUST BE RECOGNIZED AND BUDGETED FOR. CURRENT POLICY HAS BEEN THAT UNLESS A POST SPECIFIES OTHERWISE, A STUDENT WILL BE SUPPORTED FOR TWO YEARS OR UNTIL HIS FIRST DEGREE, WHICHEVER IS SHORTER. THE LONGER A STUDENT'S PROGRAM LASTS, THE GREATER THE RISK THAT HE WILL NOT RETURN TO HIS COUNTRY.

8. THE COMMITMENT ON THE DURATION OF FUNDING ON AND THE NATURE OF THE DEGREE PROGRAM IS BECOMING INCREASINGLY IMPORTANT, AS SOME UNIVERSITIES WILL ADMIT STUDENTS ONLY IF IT IS CLEAR THAT THEY WILL BE SUPPORTED UNTIL THEY CAN COMPLETE THEIR DEGREE. WHEN A POST HAS ESTABLISHED A LIMIT ON THE DURATION OF SUPPORT, ANY PROPOSAL TO EXTEND THE STUDENT BEYOND THAT PERIOD WILL BE REFERRED TO THE POST FOR APPROVAL.

9. BEGINNING THIS PROGRAM CYCLE, POST/COMMISSIONS ARE BEING SUPPLIED IN SEPTELS WITH ESTIMATED UNIT COST FIGURES FOR ALL TYPES OF GRANT ACTIVITIES. THIS SHOULD

MAKE IT POSSIBLE TO WEIGH THE ALTERNATIVE COSTS OF VARIOUS TYPES OF PROGRAMMING IN THE PLANNING PROCESS. IN THE PAST, EACH COUNTRY PROGRAM HAS CONCENTRATED ON THE NUMBER OF NEW STUDENT GRANTS, TENDING TO IGNORE THE COSTS OF RENEWAL GRANTS. THEREFORE, COUNTRY PLANS MUST INCLUDE STUDENT RENEWAL COSTS. STUDENT RENEWAL COSTS HAVE PRIORITY OVER OTHER GRANTS SINCE THEY REPRESENT FULFILLMENT OF AN OBLIGATION TO A STUDENT FROM PRIOR YEARS. POSTS/COMMISSIONS SHOULD THINK IN TERMS OF TOTAL COST OF THE STUDENT PROGRAM IN TERMS OF STUDENT-YEARS. FOR EXAMPLE, IF A POST/COMMISSION WAS TO DECIDE TO ALLOCATE APPROXIMATELY \$50,000 OF A \$150,000 TOTAL PROGRAM BUDGET TO THE STUDENT PROGRAM, THIS AMOUNT WOULD COVER APPROXIMATELY 10 STUDENT-YEARS USING AN ARBITRARY UNIT COST OF \$5,000. THUS IF THERE WERE ALREADY SIX STUDENTS IN THE UNITED STATES FOR WHOM RENEWALS WERE COMMITTED, THAT WOULD PERMIT FOUR NEW STUDENT GRANTS.

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10. REORIENTING THE PROGRAM TO DEAL WITH MARGINALITY - TO

DISTINGUISH FOREIGN FULBRIGHT-HAYS STUDENTS FROM THE VAST MAJORITY OF FOREIGN STUDENTS, STUDENT GRANTS SHOULD BE REFOCUSED TOWARD A MORE SPECIFIC PURPOSE, OR TOWARD A DIFFERENT GROUP. WHILE IT SEEMS LIKELY THAT POSTS/COMMISSIONS WILL WISH TO CONTINUE MAKING A FEW STUDENT GRANTS IN THE CUSTOMARY MANNER TO RESPOND TO SPECIFIC SITUATIONS, (JUAREZ GRANTS, FOR EXAMPLE), TWO ALTERNATIVE USES OF THE STUDENT PROGRAM ARE SET FORTH BELOW FOR POSTS' AND COMMISSIONS' CONSIDERATION FOR THE COMING YEAR'S STUDENT PROGRAM. POSTS/COMMISSIONS ARE REQUESTED TO SUGGEST ADDITIONAL IDEAS ON HOW TO REFOCUS THE STUDENT PROGRAM.

11. A) FACULTY DEVELOPMENT - A MORE SPECIFIC PURPOSE FOR STUDENT GRANTS WOULD BE THE DEVELOPMENT OF FACULTY IN A SPECIFIC DISCIPLINE, OR EVEN AT A SPECIFIC INSTITUTION. FOR EXAMPLE, A POST/COMMISSION MIGHT CHOOSE A FACULTY DEVELOPMENT PROGRAM IN BUSINESS ADMINISTRATION, ECONOMICS, OR LIBRARY SCIENCE, OR SOMETHING ELSE AND INVITE APPLICATIONS FROM AS MANY OF THE EXISTING FACULTIES IN THOSE SUBJECTS AS APPROPRIATE, DEPENDING ON LOCAL FACTORS. IDEALLY, A GRANTEE'S OWN INSTITUTION SHOULD CONTRIBUTE TO HIS SUPPORT WHILE ON THE GRANT AND SHOULD GUARANTEE HIM A POSITION ON RETURN. SEVERAL YEARS OF THIS TYPE OF GRANT COULD HAVE A MAJOR IMPACT ON IMPROVING LOCAL FACULTIES IN THE CHOSEN DISCIPLINE.

12. AN EXCELLENT PROGRAM OF FACULTY DEVELOPMENT IS OPERATED BY THE LATIN AMERICAN SCHOLARSHIP PROGRAM OF

AMERICAN UNIVERSITIES (LASPAU) IN COOPERATION WITH MANY LATIN AMERICAN UNIVERSITIES. THE DEPARTMENT IS DISCUSSING WITH LASPAU THE POSSIBILITIES FOR A LIMITED JOINT PROGRAM. IF THESE TALKS ARE SUCCESSFUL, IT WILL BE POSSIBLE TO OFFER THE POSTS/COMMISSIONS AN ALTERNATIVE USE OF FOREIGN STUDENT GRANTS. THOUGH POSTS/COMMISSIONS COULD FOCUS THEIR GRANTS ON FACULTY DEVELOPMENT WITHOUT WORKING WITH LASPAU, THAT ORGANIZATION OFFERS A NUMBER OF ADVANTAGES WHICH SHOULD BE ATTRACTIVE.

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13. B) MID-CAREER PROFESSIONALS - POSTS/COMMISSIONS HAVE IN THE PAST BEEN INVITED TO PROPOSE FOR STUDENT GRANTS PERSONS WHO ARE MID-CAREER PROFESSIONALS. (SEE BFS POLICY STATEMENT: "EDUCATIONAL EXCHANGE IN THE 70'S", AUGUST 1971). THIS WOULD INVOLVE NOMINATING PROMISING INDIVIDUALS OUTSIDE ACADEMIA IN JOURNALISM, LAW, MANAGEMENT, OR PUBLIC ADMINISTRATION (FOR EXAMPLE FROM FOREIGN MINISTRIES, THE MILITARY, POLICY PLANNING ORGANIZATIONS, ETC.) FOR ONE YEAR OF STUDY IN A U.S. UNIVERSITY OR PROFESSIONAL SCHOOL. SUCH GRANTS COULD HAVE CONSIDERABLE

PRESTIGE, CARRY MOST OF THE PERQUISITES OF AN EISENHOWER OR PARVIN AWARD, AND WOULD BE OFFERED TO SIMILAR CANDIDATES NOMINATED BY THE POST/COMMISSION. A SYSTEM TO ARRANGE PLACEMENT FOR SUCH CANDIDATES IS NOW BEING ESTABLISHED, AND POSTS/COMMISSIONS WILL BE NOTIFIED OF THE DETAILS AS SOON AS POSSIBLE. FOR THESE GRANTS TO BE ATTRACTIVE TO THE TYPE OF CANDIDATE DESIRED, IT WILL BE NECESSARY FOR THE GRANTEES TO RECEIVE ALLOWANCES AT THE PROFESSIONAL LEVEL, MEANING A HIGHER COST PER GRANT THAN THE CURRENT STUDENT GRANT COSTS. THE GREATER COSTS COULD BE OFFSET BY THE GREATER PRESTIGE OF THIS ACTIVITY AND THE OPPORTUNITY TO REACH A GROUP NOT NOW PARTICIPATING IN THE EXCHANGE PROGRAM. ONLY A LIMITED NUMBER OF OPENINGS WILL BE AVAILABLE IN THIS PROGRAM, SO IT WILL AMOUNT TO A REGIONAL COMPETITION FOR THE GRANTS. THIS REQUIRES THAT INITIALLY IT BE FUNDED ON A REGIONAL BASIS AND NOT OUT OF COUNTRY BUDGET ALLOCATIONS. HOWEVER, PARTICIPATING POSTS WILL ULTIMATELY BEAR THE COSTS OF THE PROGRAM, SO IT MUST BE SEEN AS AN ALTERNATIVE TO REGULAR STUDENT GRANTS. (FYI - THE PLACEMENT SYSTEM WE ARE ATTEMPTING TO ARRANGE CREATES A CONSORTIUM OF MIT (SLOAN SCHOOL), HARVARD (KENNEDY CENTER), FLETCHER, AND POSSIBLY BRANDEIS. THE CONSORTIUM WOULD OFFER THEIR COMBINED RESOURCES FOR INDIVIDUAL ACADEMIC PROGRAMS FOR MID-CAREER PROFESSIONALS PLUS A JOINT SEMINAR FOR ALL PARTICIPANTS. END FYI)

14. POSTS/COMMISSIONS IN ACTION ADDRESSEE COUNTRIES ARE REQUESTED TO REVIEW THIS MESSAGE IN THE LIGHT OF THEIR

OWN PLANS, TO REPORT ANY OTHER SUGGESTIONS FOR RE-
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FOCUSING THE STUDENT PROGRAM, AND TO INDICATE THEIR
POSSIBLE INTEREST IN FACULTY DEVELOPMENT OR MID-CAREER
GRANTS. KISSINGER

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